Please substitute the attached <u>directive</u> and <u>pages 3</u> and <u>4</u> for the ones in your copy of the proposed report by the Bureau of the Budget to the President dealing with the organization of the Psychological Strategy Board, dated May 1, 1952.

Revised by

TOPSECRET Bureau of

Security Information Budget

TO: Secretary of State
Secretary of Defense
Director, Central Intelligence

At my direction the Director of the Bureau of the Fudget has undertaken a study to determine whether the directive of April 4, 1951 which established the Psychological Strategy Board and defines its concept, organization and relationships should now be amended in the light of the initial experiences of the Board. In addition to having the results of that study, I have also had the benefit of other thoughtful somment and suggestion.

It is my view that a healthy start toward the objectives of last April has been made and that no significant alteration in the organisation established by the directive is necessary at this time. Certain clarifications of that directive, however, will permit further progress and are hereby authorised and directed.

- 1. The Board should afford first priority to its responsibility for evaluation and to the forward and strategic aspects of its responsibilities under the directive of April 4, 1951. It should be highly selective in accepting responsibilities, either in planning or coordination, for current or non-strategic matters and should accept such responsibilities only if they do not impair its ability to carry out its more fundamental role. The Board should encourage the strengthening of other mechanisms and procedure at the departmental level for coordination and for current and operational planning.
- 2. A practice of rotation among the members of the Board of the position of chairman would most suitably signify the intent of the directive of April 4, 1951. An important objective of that directive was to relieve the members of the Board by utilization of the Director in organizing its business including the expediting of reaching decisions and the Board may, if it so chooses, utilize the Director as presiding officer.

I believe that it would be helpful to me if the Board could suggest occasions when I might become more directly informed of its work through a meeting with the Board, the Director and the Executive Secretary of the National Security Council.

I am transmitting the report of the Bureau of the Budget for further study and appropriate action of the Board.

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The Director was conscious of the need to lift the Board's activities to a strategic plane in point of level and to the longer range problems in point of time. He cautioned against the acceptance of problems of a purely inter-departmental or current nature to a degree which would adversely affect the Board's capability to develop its more long-range, strategic program. His initial list of problems included a plan for strategic planning not previously initiated. In practice, however, a sufficiently large agends of currently unsolved problems to consume the efforts of the PSB planning staff and facilities was available from the interdepartmental mechanisms then existing, from the NSC and, in a few cases, from the suggestion of certain officials. The longer-range projects included in the Director's first list of problems have therefore not been pursued with vigor nor supported by the best available PSB or departmental staff.

The resultant tendency to restrict the Board's concern to current problems has affected its program in two other areas as well (1) evaluation and (2) coordination.

It has organised only a limited program in the field of evaluation. While it has been able to complete some specific projects such as the appraisal of the impact of the disarmement proposals it has not yet developed plans, techniques, nor staff for full-scale evaluation of the national effort. Yet it is precisely this activity which will fertilise and support a program of forward strategic planning.

Many of the Board's activities in the field of coordination are either of a purely administrative nature or in the area of operational coordination which the Directive clearly leaves with the departments. The responsibilities of the member departments for the planning, conduct and coordination of actual operations is not diminished by the President's directive. Each of the departments involved were directed to strengthen the existing arrangements within their departments for those purposes and the Secretary of State was authorized to effect such changes in the interdepartmental coordinating mechanisms established under NSC 59/1. (The Board should resist the tendency which its existence furthers of utilizing it for the coordination of matters the responsibility for which should rest with the departments.)

it will be necessary to shift its emphasis to provide for a greater and more adequate scheduling and support of anticipatory forward planning and coordination programs and a more selective approach to the planning and coordination of current or operational matters. It is in these directions, however, that the member agencies are most alert to the possibility of the Board usurping responsibilities except in the single case of planning for the extremely long-range and tenuous prospect of general hostilities. The Foard's role and responsibility for forward strategic planning may thus need to be reaffirmed. The Board thus will need the support of a clarification, or, more properly, an iteration, of the forward and strategic aspect of the role under the Directive.

Insert It is recommended that the forward and strategic aspect of
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be reaffirmed.

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The further recommended that the Board give immediate attention to the problem of developing, within the resources explable through its number agencies and through a concomitant edipotment of its full-time staff and its work priorities, adequate staffing and support of its responsibilities for forward and strategic planning and for the evaluation of the total metional psychological effort.

It is also recommended that the Poerd encourage the strengthening of mechanisms and proceedures for the coordination of psychological operations at the interdepartmental level and plan for a progressive reduction of its own activity in this field.

RELATIONSHIPS

The differing views of the Board's role and mission have played an equally substantial part in the shaping of the Board's external relationships. Recommendations have been made from time to time which would, if adopted, move in the direction of greater independence, either for the Board or its Director, or both. Such a move would run counter to the basic concept of the President's directive, the need for which is not demonstrated by study of the Board's experience. The Board was established as a means of achieving more effective planning, through an organised utilisation of the resources of the principal agencies rather than providing for an independent source of staff work and advice to the President.

RELATIONSHIP WITH THE PRESIDENT

The Director of the Board as well as the Under Secretaries of State and Defense and the Director of Central Intelligence who comprise its membership, are Presidential appointees. Their relationship with the President either as individuals or in their capacities related to the PSB is essentially a matter peculiarly personal to the President. Nevertheless, the desirability has been advanced of affording the President an opportunity to inform himself directly of the views and work of the Board through the assignment to the Director of responsibility for a regularized periodic personal reporting

It is suggested that, should the President desire to be informed directly of the Board's work and views, he most, as the need arises, with the Board as a whole, the Director of PSB and the Executive Secretary of the MSC.

RELATIONSHIP

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